

600

EXEMPTIONS FROM TERRITORIAL JURISDICTION

of any prejudice to any right to immunity, and also that the appearance was without authority from a proper representative of the sovereign State of Spain that was necessary to enable defendants to submit to the jurisdiction.

[1956] 3 All E.R. 715.

Nationalized
company

An Egyptian company, the Kafr El-Zayat Cotton Company, Ltd., concluded a contract in Belgrade with the Yugoslav firm Hempro for the purchase of chemical products. There was only part performance by Hempro, which was nationalized by the Federated Peoples Republic of Yugoslavia. The Company instituted action in Alexandria, Egypt, against the Federated Republic of Yugoslavia to recover damages based on breach of contract. It obtained an order, March 18, 1951, by a Judge of the Tribunal of Alexandria to sequester certain goods of the Yugoslav Republic in Egypt on the ground that the Yugoslav Republic was liable to the same extent as Hempro. The Yugoslav Republic sought to set aside the order, contending that it was immune from the jurisdiction of the Egyptian courts and that Hempro having a separate legal personality was alone liable for the performance of the contract.

The Civil Tribunal of Alexandria, on May 12, 1951, held that the order in question must be set aside. It stated:

"... Following upon the principle of immunity which the representatives of all foreign States enjoy, and in spite of the fact that the present litigation is the result of a purely commercial operation, such as that into which private individuals commonly enter, and has nothing to do with those acts which are considered, by their very nature, as being acts of sovereignty, it is generally agreed by the majority of writers on international law, and is in conformity with international usage and courtesy, that the seizure of the goods of a foreign State, whether purely as a provisional measure or with the object of preventing that Government from taking the goods out of the jurisdiction, is an act which touches the sovereignty of the State. For such an act raises doubts in the minds of third parties concerning such sovereignty which it is the duty of this Court to avoid. Inasmuch as there exists serious doubt concerning the debt, and that the seizure is a purely provisional measure which may affect Yugoslav sovereignty, the order of March 18, 1951, is set aside."

Federated People's Republic of Yugoslavia v. Kafr El-Zayat Cotton Company, Ltd., [1951] Int'l L. Rep. 225, 228 (No. 54).

State
enterprise

The Purchase Directorate of the Ministry of Commerce of the Kingdom of Greece entered into a written Charter Party with the Petrol Shipping Corporation to transport from the United States to Greece grain made available to Greece under the Agricultural Trade Develop-

ment and Assistance
Charter Party
bottom damage
Purchase Director
Shipping Corporation
under section 1
compel arbitrat
Purchase Direc
Directorate's
ally and sub
Greece was an
State did not
Court denied
foreign immu
of Appeals
upon rehearing
facts (332 F.2d
Court, relying
Port, Inc. v. A
(336 F.2d 331)
where it was
spite a plea of
merce could be
munity and
under the ar
On appeal, t
District Court
amicus curiae

"...
tional and
Court's
[63 S.Ct.
against
acquired
pearance
Only att
nity de
being
jurisdiction
sents a
acquired

On the pe

"On
Victor
den. 38

no
seizure
of
sovereign
property